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SUBJECT: Coalition nominates Valdis Zatlers for President

¶1. Summary: On May 22, the ruling coalition announced that they were not able to reach agreement on either of the two presidential candidates - Karina Petersone (Latvia's First Party/Latvia's Way) and Maris Riekstins (People's Party) - and nominated a new presidential candidate - Valdis Zatlers. Zatlers is not an official member of any political party and there is no recent information on his political affiliations, though he categorized himself to a reporter as a "conservative". Zatlers is a surgeon and head of the National Trauma and Orthopedic Hospital. If all MPs (58) of the ruling coalition vote for Zatlers, he would acquire the required support (51 votes) to become president. However, the Saeima elects the president by secret ballot and, due to the coalition's slim majority, the outcome is unpredictable. The last minute entry of former constitutional court chief Aivars Endzins further complicates the path ahead. End of Summary.

¶2. Valdis Zatlers was born on 22 March 1955, in Riga. In 1979, he graduated from Riga Medical Institute. He spent a year as a visiting scholar in the US in 1990 at Yale University and Syracuse University. He has been working as a surgeon since 1979, and has been the head of the National Trauma and Orthopedic Hospital since 1994. Zatlers has leading positions in two associations: as president of the Latvian Arthroscopy Association and vice-president of the Latvian Orthopedics Association. Though he is prominent in the area of medical practice, he is not known for being actively involved in the re-organization of the health care sector, which is considered one of the most difficult and unsettled sectors for reform in Latvia. His only known previous political involvement was serving as a board member of the Popular Front (Tautas fronte) from 1988-1989, when it was agitating for Latvian independence from the Soviet Union.

¶3. Though in general his public profile has been very low, Zatlers received considerable attention in the media in March 2003. On the basis of a report by the KNAB (Anti-Corruption Bureau) which recommended bringing criminal charges against Zatlers for abuse of office, then-Health Minister Aris Auders (New Era) suspended Zatlers as head of the hospital. Zatlers was accused of purchasing low-quality implants for the hospital from the companies of his wife and a colleague. After a short period, and without any new evidence, then-Prime Minister Einars Repse (New Era) unexpectedly ordered Auders to reinstate Zatlers. A month later, it was concluded that the implants corresponded to the required quality, and the criminal case was closed in May 2006. Throughout the scandal, Zatlers received the broad public support of the hospital's doctors and staff. Interestingly, two months before the conflict, the People's Party had asked for the resignation of Health Minister Auders, which was later construed as an attempt to protect Zatlers from audits of his hospital by Dainis Titavs, advisor to Prime Minister Repse.

¶4. Zatlers is also taking press heat for his admission that he accepted additional payment from patients beyond the normal fees. Zatlers says that he never asked for the money, but did not decline it when patients offered it. Zatlers is saying that he should get credit for being truthful about the situation and noted that unlike some of his colleagues, he never demanded money to give patients' higher priority on waiting lists. Nevertheless, the more liberal

media and non-political elite are criticizing the notion of a President who has admitted to taking such money and almost certainly did not pay taxes on it. (Comment: The Latvian public is unlikely to see this as anything unusual in a doctor, but it is not clear if they would view this as a negative for a head of state. End comment.)

15. The media also reports on two smaller conflicts, both with public authorities, involving Zatlers. In November 2002, Zatlers demonstrated an unyielding position in a dispute with the National Health Insurance Agency. He announced that the hospital would be closed and no patients accepted if the National Health Insurance Agency did not pay its debt to the hospital. The parties eventually reached an agreement. In December 2003, Zatlers was criticized by the Ministry of Health for his statement that the hospital was not able to manage extra funding. Afterwards, Zatlers announced that there had been some misunderstandings and that the hospital had the capacity to manage additional funding.

16. Comment: The announcement by the coalition parties that they were not able to reach agreement on their previously announced and publicly-debated presidential candidates confirmed the predicted scenario that in fact there have been two parallel processes: public nomination of presidential candidates and closed discussions among members of a very narrow circle of the political elite. Though the appearance of a non-discussed candidate had been expected, the identification of Zatlers as that candidate has brought some surprise and criticism, in particular, for his lack of political experience (both foreign and domestic) and for being outside of any political party. Commentators have remarked that his candidacy is just "a compromise of party ambitions" and that the prior submission of candidates was a theater in "an effort to fool the nation that democracy does exist in this country". Zatlers did himself no favors when a reporter asked him to name three reasons why he wanted to be president and he could only respond with one ("I have the ability to communicate, listen and make decisions. I wouldn't want

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to praise myself more than that"). The main concern voiced by civil society groups and the media is that there is no information available on his views and stances on issues.

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